

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02273A
Ehrenberg Improvement Association
dba Ehrenerg Water Co.
PO Box 50
Ehrenberg, AZ. 85334



RECEIVED

APR 04 2008

UTILITY DIVISION
1000 GOLDEN VALLEY

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-7-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Ehrenberg Improvement Association

Mailing Address P. O. Box 50

(Street)

Ehrenberg

(City)

AZ

(State)

85334-0050

(Zip)

928-923-9388

Telephone No. (Include Area Code)

928-923-9389

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address ehrenbergwater@verizon.net

Local Office Mailing Address _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: _____

(Name)

(Title)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

On Site Manager: Joseph D. Leach

(Name)

50078 Ehrenberg Parker Hwy., Ste. 110 –Ehrenberg, AZ 85334-0050

(Street) (City) (State) (Zip)

928-923-8584

928-923-9389

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address: ehrenbergwater@verizon.net

X Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Joseph D. Leach

(Name)

50078 Ehrenberg Parker Hwy., Ste. 110 Ehrenberg AZ 85334-0050

(Street)

(City)

(State)

(Zip)

928-923-9388

928-923-9389

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Jennings, Strouss & Salmon

(Name)

201 E. Washington St.

Phoenix

AZ

(Street)

(City)

(State)

(Zip)

602-262-5911

602-253-3255

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

X Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☐ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

X Other (Describe) Non Profit Corporation

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

X **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☐ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME: EHRENBURG IMPROVEMENT ASSOCIATION

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	4,800		4,800
304	Structures and Improvements	23,238	8,801	14,437
307	Wells and Springs			
311	Pumping Equipment	103,720	85,185	18,535
320	Water Treatment Equipment	34,857	23,552	11,305
330	Distribution Reservoirs and Standpipes	1,068,267	591,544	476,723
331	Transmission and Distribution Mains	85,854	51,221	34,633
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,854	4,423	431
341	Transportation Equipment	63,380	56,814	6,566
343	Tools, Shop and Garage Equipment	5,621	4,004	1,617
344	Laboratory Equipment	2,396	2,004	392
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,852,621	990,511	862,110

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	4,800	-	--0--
304	Structures and Improvements	23,238	2	465
307	Wells and Springs			
311	Pumping Equipment	103,720	10	10,372
320	Water Treatment Equipment	34,857	20	3,768
330	Distribution Reservoirs and Standpipes	455,634	2	9,113
331	Transmission and Distribution Mains	1,068,267	2	21,365
333	Services			
334	Meters and Meter Installations	85,854	3.33	2,859
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	4,854	20	971
341	Transportation Equipment	63,380	20	12,676
343	Tools, Shop and Garage Equipment	5,621	20	1,124
344	Laboratory Equipment	2,396	20	479
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,852,621		63,192

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR 12/31/06	BALANCE AT END OF YEAR 12/31/07
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$24,881	\$14,778.49
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	17,413	15,713.06
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies	14,000.00	14,000.00
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$56,249	\$44,491.53
	FIXED ASSETS		
101	Utility Plant in Service	\$1,852,621	\$1,852,621
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	<927,319>	<990,511>
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$925,302	\$862,110
	TOTAL ASSETS	\$981,596	\$969,744.20

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR 12/31/06	BALANCE AT END OF YEAR 12/31/07
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$18,076	\$22,142
232	Notes Payable (Current Portion)	42,879	42879
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	7,690	6,298
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	2,467	-0-
	TOTAL CURRENT LIABILITIES	\$71,112	\$71,319
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$712,589	\$67,4218
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$783,701	\$745,537
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$197,895	\$161,064
	TOTAL LIABILITIES AND CAPITAL	\$981,596	\$906,601

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$268,254	262,060
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$268,254	\$262,060
	OPERATING EXPENSES		
601	Salaries and Wages	\$81,269	72,067
610	Purchased Water		
615	Purchased Power	18,306	21,134
618	Chemicals	3,949	11,425
620	Repairs and Maintenance	11,799	19,123
621	Office Supplies and Expense	12,837	12,283
630	Outside Services	2,989	17,430
635	Water Testing	10,930	15,536
641	Rents	10,775	8,930
650	Transportation Expenses	7,892	7,906
657	Insurance – General Liability	10,347	9,883
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	55,522	9,273
403	Depreciation Expense	63,192	63,192
408	Taxes Other Than Income	9,814	6,903
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$317,370	\$291,285
	OPERATING INCOME/(LOSS)	\$<49,116>	\$<29,225>
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$60	\$97
421	Non-Utility Income	75,908	14,302
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	29,793	22,005
	TOTAL OTHER INCOME/(EXPENSE)	51,996	<7,606>
	NET INCOME/(LOSS)	\$2,880	<36,831>

COMPANY NAME: EHRENBURG IMPROVEMENT ASSOCIATION

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	2/89	6/95	9/04	
Source of Loan	USDA	USDA	GMAC	
ACC Decision No.				
Reason for Loan	Construction	Construction	Truck	
Dollar Amount Issued	\$600,000	\$92,100	\$31,332	\$
Amount Outstanding	\$322,341	\$75,974	\$10,993	\$
Date of Maturity	6/2018	3/2034	10/2009	
Interest Rate	5%	4.5%	0%	%
Current Year Interest	\$17,013	\$3,519	\$	\$
Current Year Principle	\$21,401	\$1,461	\$6,240	\$

Meter Deposit Balance at Test Year End

\$7,740

Meter Deposits Refunded During the Test Year

\$0

COMPANY NAME: EHRENBURG IMPROVEMENT ASSOCIATION

Name of System:

ADEQ Public Water System Number:

15497

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
N/A						

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
RIVER PUMP	1500	155,069

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
NONE		63	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
600,000	2	30,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME E.I.A. Water Department

Name of System: Ehrenberg Improvement Assn. ADEQ Public Water System Number: 15-497

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	AC	2925
8	AC	8220
10		
12	AC	267,000

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	-
3/4	193
1	110
1 1/2	12
2	15
Comp. 3	-
Turbo 3	7
Comp. 4	-
Tubo 4	3
Comp. 6	2
Tubo 6	-
Turbo 8	1

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

4 - FILTER MEDIA TANKS

STRUCTURES:

1 - 30x40 Steel Storage Building

1 - 6x5 Steel Water Treatment Building

1 - 10x20 Framed Office for recording equipment

OTHER:

2 - 30'x 30' Steel Reservoirs, 600,000 gallons each

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: EHRENBURG IMPROVEMENT ASSOCIATION

Name of System:

ADEQ Public Water System Number:

15497

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	361	8,310,670	10,454,000	
FEBRUARY	321	6,481,121	9,099,000	
MARCH	361	8,758,638	11,482,000	
APRIL	362	9,073,728	12,807,000	
MAY	362	11,709,405	13,268,000	
JUNE	364	11,703,659	15,386,000	
JULY	365	13,825,606	16,561,000	
AUGUST	366	1,265,118	1,5986,000	
SEPTEMBER	367	10,575,500	13,978,000	
OCTOBER	367	10,591,213	12,752,740	
NOVEMBER	366	792,122	10,006,000	
DECEMBER	366	5,771,479	8291,2/89000	
TOTALS		117,358,259	150,070,740	

What is the level of arsenic for each well on your system? N/A mg/l

If system has fire hydrants, what is the fire flow requirement? 500 GPM for 1 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(x) Yes

() No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(x) Yes

() No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(x) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____ YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$16,200 _____

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED
APR 04 2008
11:12 PM
TUCSON COUNTY

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) LA PAZ
NAME (OWNER OR OFFICIAL) TITLE Joseph D. Leach, General Manager
COMPANY NAME Ehrenberg Improvement Association

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING


MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
928-923-9388

TELEPHONE NUMBER

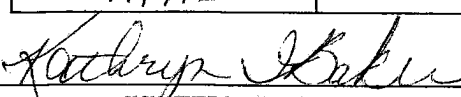
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3rd DAY OF



MY COMMISSION EXPIRES 10-29-2008

COUNTY NAME LA PAZ	
MONTH APRIL	2008
 _____ SIGNATURE OF NOTARY PUBLIC	

COMPANY NAME EHRENBERG IMPROVEMENT ASSOCIATION **YEAR ENDING 12/31/07**

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>N/A</u>
Estimated or Actual Federal Tax Liability	<u>-0-</u>

State Taxable Income Reported	<u>N/A</u>
Estimated or Actual State Tax Liability	<u>-0-</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>N/A</u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u> </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 11 2008
OFFICE OF THE
ATTORNEY GENERAL

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>LA PAZ</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Joseph D. Leach</u>
COMPANY NAME <u>EHRENBERG IMPROVEMENT ASSOCIATION</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$276,883

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$16,452
IN SALES TAXES BILLED, OR COLLECTED)**

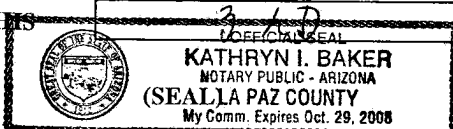
****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL
928-923-9388
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 31st DAY OF



MY COMMISSION EXPIRES 10-29-2008

COUNTY NAME <u>LA PAZ</u>
MONTH <u>APRIL</u> <u>2008</u>

Kathryn I. Baker
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED

APR 9 1 2008

BY CORP. CLERK
Director of Public Utility

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) LA PAZ	
NAME (OWNER OR OFFICIAL) Joseph D. Leach	TITLE General Manager
COMPANY NAME EHRENBERG IMPROVEMENT ASSOCIATION	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$263,215

THE AMOUNT IN BOX AT LEFT
INCLUDES \$16,452
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Joseph D. Leach
SIGNATURE OF OWNER OR OFFICIAL

928-923-9388
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 3RD DAY OF



MY COMMISSION EXPIRES 10-29-2008

NOTARY PUBLIC NAME KATHRYN I BAKER	
COUNTY NAME LA PAZ	
MONTH APRIL	2008

X *Kathryn I Baker*
SIGNATURE OF NOTARY PUBLIC